DER NEUE MITTELSTAND

(The New Middle Class)

by

Emil Lederer and Jacob Marschak

Grundriss der Sozialökonomik

IX, Abteilung, I. Teil, Tübingen 1926

Translated for

The Department of Sociology in
Columbia University

by

S. Ellison

"Prepared with the assistance of the U.S. Works Progress Administration of New York City, Project 165 - 97 - 6027."

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1. DEFINITION

The collective term "new middle class"[1] goes back in its origin to prewar days. It purports to designate a large number of wholly distinct occupational groups with a catchword, which at the same time suggests a theory of historical development. This theory maintains that capitalism by reason of its inherent tendencies irresistibly leads to a concentration of commercial and industrial enterprises and, consequently, to a decrease in the number of independent business men, as well as to the disintegration of the old middle class and its loss of importance; it also maintains that the existence of a rapidly growing class of dependent workers, which contains no manual workers, checks the spread of proletarization and acts as a buffer between capitalism and labor. This new class is also supposed to take over certain social functions which the "old middle class" is no longer able to fulfill, because it lacks the necessary numerical strength and to some extent also the requisite social and cultural qualifications. The hypothesis, too, calls more or less for a cooperation between the old and the new middle class. Furthermore, it is the expression of an optimistic attitude which takes as a matter of course the bridging over of

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[1] For lack of space, our account of the "new middle class" has of necessity been limited to essentials. Therefore, historical explanations, which would be especially appropriate in our discussion of the civil servants, have been entirely omitted.

class contrasts and the balancing of class interests. This attitude was so strongly entrenched that its adherents, completely failing to appreciate the existing conditions of political power, expected the "new middle class" to play the role of social mediator between capital and labor in industrial disputes and to help in furthering the principles of industrial democracy. Accordingly, the "new middle class" was to put an end to the instability of the social system and to strengthen the inner cohesion between the classes. These hopes, here sketchily indicated, which were pinned on the "new middle class," were occasionally so interpreted by the entrepreneurs that the "new middle class" was called upon to absorb the upper layers of the workers; thus, merged with the latter socially, it would be in a position to act as the economic and social vanguard of the proletariat and as the connecting link between the proletariat and the other social classes. Such ideas are inherent in all theories of social solidarity; the new middle class was supposed to mitigate the conflict between capital and labor, between employer and employee, which might imperil the existing economic order. The advocates of social solidarity must be particularly sensitive to those tendencies which help to span the gulf of social inequalities. No doubt, such tendencies toward equalization are to be found in the capitalistic economy; but the question is whether the "new middle class" can be regarded and

construed as a real factor in the development of social solidarity.

The term "new middle class" and the definitions applied to it must, perforce, be rejected by all those who see in capitalism an unavoidable intensification of class contrasts and expect from such a heightening of contrasts the ultimate sweeping change in the conditions of production and political power. This group, voicing socialistic doctrines, speaks of the "new middle class" simply as part of the proletariat, often referring to it as "white collar proletariat" (Stehkragenproletariat). Its interests, the group claims, are thoroughly identical with those of the proletariat and its eventual union with the general proletarian movement, both in its political and associational policies, would follow as a matter of course. The white collar proletarian is primarily identified with the rank and file of the salaried employees and of the civil servants, while a thin upper layer from those strata is socially assigned to the class of entrepreneurs.

It is only natural that whenever an attempt is made to define and explain this rising group as an independent phenomenon, its characterization should be determined by the interests of the existing historical classes. The peculiar position of the "new middle class" which cannot be regarded as an isolated social stratum, but rather as an intermediate position between other classes of a well-established social and economic status, has made it extraordinarily difficult to develop in these new strata a uniform character and a common consciousness. For it is but natural that the entire group

of occupations which make up the "new middle class" should be judged according to the viewpoint of the individual observer and the interests of the various classes; that is to say, on the basis of such of its component parts as might serve to prove this or that interpretation. But perhaps of still greater importance are the attempts of the old historical classes to influence the active policy of the "new middle class." Accordingly, we find that within the "new middle class" specific groups follow a policy which corresponds to one or the other of the above-mentioned fundamentally different concepts. In addition, there is a third school which seeks to explain the peculiar position of the employees "between the classes" as well as its postulates as independent of the organization and the idealistic and materialistic ideologies of the entrepreneur and the labor classes. The proponents of this theory regard the "new middle class," particularly the private employees, as a group sui generis and strive to emancipate it from the policies of the other classes.

Although there is unanimity in regard to the "new middle class" as separate from the other classes, nevertheless, it is difficult to devise a universal criterion as to the groups that belong to it. Ordinarily, the new middle class is identified with the salaried employees and the civil servants. But it is extremely difficult to say which of the "gainfully employed" are to be considered as salaried employees and civil servants. The definition given by social insurance legislation recognizing brain work as

the decisive characteristic of these two groups cannot be accepted, since the "new middle class," i. e., the class of salaried employees and civil servants, includes numerically important occupation groups, whose activity is not mental but which in respect to their qualifications are classed below that of skilled labor. In the case of public employees and officials, the line of demarcation is indicated by their official designation and legal status. As regards salaried employees, it can only be said that their activity is either purely manual, like that of the laborer, except that a certain mental performance stamps the occupation with a special character (technical employees), or their activity is not at all mental and has nothing to do with production but only with distribution (commercial employees). These are the borderline types of the group. Within, we find the purely mental activity of the higher official in industry and commerce; outside is the essentially manual work of the laborer. An amalgamation of these highly heterogeneous groups cannot, then, be based upon some technical or economic function common to all of them, but rather upon their common social position. Still, the criterion of this social position is anything but positive. The fact that the position of the "new middle class" is an intermediate one between the classes makes the criterion

rather a negative one.[1]

Although its position between the classes is recognized as the social criterion of the "new middle class," still the social position of its constituent groups is not uniform. Indeed, it is

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[1] The legal definition of the term "salaried employee" was attempted in the Employees' Insurance Act (Versicherungsgesetz für Angestellte) of 1911 and also, recently in the Works Councils Act (Betriebsrätegesetz) of 1920. In section one, paragraph one of the former, the following groups are especially mentioned:

1. Employees in executive positions, when such activity is their chief occupation.

2. Factory officials, foremen, and other employees in a similar high position, regardless of their training; office employees who are not occupied with small or routine tasks and when such activity is their chief occupation.

3. Commercial clerks and drug clerks.

4. Musicians and actors, regardless of the artistic merit of their performances.

5. Teachers and educators.

6. Captains, deck officers, engineers of German sea-going vessels and of craft engaged in inland navigation; also pursers and their assistants and other members of the crews who are likewise engaged in some high capacity, without regard to their training, and when such activity constitutes their chief occupation.

On the other hand, the Works Councils Act, section twelve, extends the lower limits of the salaried employees by taking in also the office employees in the lower grades and apprentices, while it restricts its upper limits by excluding "business managers and department heads who are empowered to hire or discharge other employees in their business or in one of its divisions and upon whom partial or full power of attorney is conferred."

as variable as in the other classes which likewise exhibit considerable lateral extension: The entrepreneur class takes in the small manufacturer and the commercial entrepreneur, as well as the industrial magnate. The manual laborers' class includes the unskilled proletarians of the lowest strata (Lumpenproletarier), low-paid and unskilled femalewage-earners, as well as the skilled, regularly employed and well-paid male wage earners. But the employees' group has a particularly broad range, and it can be comprehended as an entity only in contradistinction to the other classes. Within it predominate the differences between the various subgroups; still, it may be asserted that there is hardly another social stratum composed of so many heterogeneous elements, which, insofar as common interests are concerned, presents such a relatively united front as that shown by the salaried employees and civil servants.

2. THE NEW MIDDLE CLASS IN MODERN ECONOMIC DEVELOPMENT

The manifold and complex causes which account for the rise and growth of the "new middle class" (salaried employees and civil servants) in the last few decades might, above all, be ascribed to general economic development, and, in the case of civil servants, also to certain changes in the state and its functions.

a. Private Employees

The intimate relation between economic evolution and the

growth of the class of salaried employees is best illustrated by the case of the technical employees. The technical employee was known neither to the handicrafts nor to industry in its infancy. For the master craftsman of old, as the independent proprietor of a manufactory, was totally different from the technical official of today's mammoth concern. These modern industrial concerns have devised a whole super-structure or mechanism, of which the technical employee must form an integral part. This mechanism removes and draws in all possible brain and routine work from the shop; everything is centered in the planning and laying-out department. In this systematized business, the technical employees play an important role, and will play an increasingly important role the more big business displaces small undertakings. At the same time, with the growth of the industrial enterprise, the individual role of the technical employee tends to become less important, for as an individual he is easily replaced. Thus, the rise of big business has created the technical employee of today and put him in a distinct category. It has also brought into existence a rapidly growing class of clerical employees who work in factory offices and whose numbers at the present time increase all the more rapidly as the introduction of American business methods requires a minute cost-accounting system and, in consequence, a large office personnel. These clerical employees of industry are no longer in touch with the individual technical aspects of the business. They typify, perhaps better than any other group, the present-day employee, who, in his particular function, has lost all contact with process of production as a whole.

As in the case of the technical and clerical employees of industry, the rapid increase in the number of clerical employees must likewise be attributed -- although less directly -- to economic evolution and the transformation of business. The salaried employee has long been known to the large as well as to the small business. Trade is the special domain of the employee. All those employed in it, even positions where no mental work is required, are known as salaried employees and not wage-earners. Therefore, the transformation of business did not prepare the ground for the clerical employees, but only caused their numbers to be greatly augmented. This increase was far more rapid than that of the independents engaged in commerce, while in the modern large commercial concerns it made possible an extensive division of work and the employment of persons without special training.

The war and the revolution gave a tremendous impetus to the growth of the salaried employees' class. The conscription of all men able to bear arms, and the rush of war orders, coupled with the simultaneous aggravation of the general economic situation, caused the emergence of new groups of gainfully employed, in the majority women. Whether these groups belonged to the "old middle class" or came from families of salaried employees and public functionaries, they took such positions in the economy as were best suited to their education and social background. In other words, they exercised the functions of salaried employees. The appearance of these new groups was intensified by the fact that the transformation of the national economy, in response to war needs, had greatly fostered the above-mentioned

tendencies which favored the growth of this class of employees; for war economy means the expansion of big business, as well as extensive "organization," or bureaucratization, which multiples the functions of the salaried employee. But neither the termination of the war and the demobilization of the army, nor the abandonment of the war-economy reestablished the social stratification of the prewar period. In the first place, the tendencies of industrialization and of organization, even though the latter was now to be found not in the exigencies of a state engaged in a war but in big private corporations, were not checked. Secondly, the disintegration of the "old middle class" was accelerated at an unprecedented pace in consequence of the monetary devaluation and the wiping out of private fortunes. As a result, those who had been reduced to dependence turned now to the socially kindred occupations of the salaried employee, although these, too, showed a steady deterioration of their economic status and an approximation to (if not an actual drop below) the living standards of the wage-earners. On the other hand, consideration of class and tradition turned the young generation away from possible transference to manual occupations. One must admit that this hypertrophy of employees is bound to lead to a reaction under the pressure of unfavorable conditions of the labor market.[1] Particularly, monetary stabilization must effect a stringent

[1]Especially commercial and office employees suffer from an overcrowding of their occupation. Thus, in 1921 the commercial occupations, in comparison with other business indexes which recorded a satisfactory economic position, showed one of the most unfavorable conditions of the labor market; there were 319 male and 183 female applicants for every 100 available positions. The technical employees, thanks to the requirements of a specialized training, have fared better.

reduction of personnel in the overstaffed commercial and industrial enterprises and, especially, in banks. Still, inasmuch as the number of the "new middle class" will remain the same, the composition of the body social will be completely changed as compared with the prewar period.

b. Public Officials

The number of public servants in the last decades shows an extraordinary increase due, in the first place, to the high tempo of the development of the industrial state and their growing functions which require a large staff of government employees. These last were bound to increase faster than the population, precisely because industrialization and changes in the geographical distribution of the population of necessity multiplied the tasks of the various governmental agencies. Not only the internal administration proper, but also the administration of justice has witnessed an enormous expansion of its calandar, while the functions of the civil service have become increasingly complex. This is also true, if not more true, of the administration of municipal governments. Furthermore, both state and municipalities have extended their activities by operating certain industrial enterprises (chiefly in transportation) under direct management. These tendencies towards municipalization and nationalization have brought into being legions of public servants, which, properly speaking, are another consequence of the capitalistic system and of the industrialization of the national economy.

The war stimulated these tendencies very considerably. The far-reaching state regulation of national production and distribution,

the systematic organization of the state on a "war economy" basis, added new functions to the machinery of administration. In addition, there was a large expansion of the manifold functions which the modern "service state" performs. To be sure, in the years after the war a reaction set in against the "emergency economy" and "statism." In Germany and elsewhere, a "retrenchment of the army of civil servants" and a definite return to private life of public servants was urged and, partly, carried out.[1] But this does not mean that there was a return to prewar conditions. The fast absorption during the war of former independents by the large and complex economic organizations could not be undone. Moreover, it should be noticed that it is becoming increasingly difficult to draw, from the sociological standpoint, though not from the legal standpoint, the line of demarcation between "civil servant" and salaried employee." For, on the one hand, the relationship between the salaried employee and the impersonal, complex business organizations, which in many cases extend over generations and arrogate to themselves the position of public corporations as to power and purpose, approximates that of the civil servant; on the other hand, the relation of the public servant to the state has changed. The public servant does not exhibit the same loyalty towards the state as of old; the grip of the state's authority over the civil servant has relaxed and a contractual relationship is sought instead of one of public law. The convergence of these two groups of the "new middle class" (which before the war

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[1] Incidentally, these demands formed an important part of the economic program of Italian fascism, but they also characterize the policy of other countries in times of economic slackness and other socio-political instability.

already followed in the wake of a rapid increase of employees in state-operated enterprises in contrast to the officials exercising functions of the sovereign state) explains why the return to private life of many public servants and the contracting of the state's range of activity cannot seriously affect the social stratification in favor of the "new middle class" which was produced during and after the war.

The general economic developments accounted not only for the tremendous increase of employees and civil servants, but also for a qualitative change in the social composition of both of these groups, before as well as after the war. New types of undertakings and state functions appeared and, simultaneously with them, new categories of employees and civil servants, whose positions differed in many respects from that of their "old-time" colleagues. It is these new categories of employees and civil servants who have started the salaried employees' and civil servants' movement and have drawn the entire class from its relative peace and security into the turbulent currents of social movements.

The foregoing points to those forces which are of significance in the salaried employees' and civil servants' movement . In its aggressive aspect, this movement is the reaction of the great masses of employees whom the new economic system has driven into an unfavorable position and kept there. It is true that the employee of old was also a dependent worker; still, the door remained open to him, as an individual, to become economically independent or to rise to a position which, economically and socially, put him on the same level with the independent. For a large majority of employees and civil servants of the lower ranks this had become impossible even

before the war. The salaried employee and the civil servant of today move throughout life in a rather narrow circle; they can neither rise to a higher post, nor can they even hope to improve their economic and social status. The very conditions which have brought into being the great armies of employees and civil servants also tend to keep them down in the social and economic scale. Just as the labor movement is a rebellion against the insecurity of existence and the insuperable obstacles which are placed in the path leading to independence and an adequate income, likewise similar conditions facing the employee of today give rise to social movements of which we shall say more presently. Transformations within these strata took place before the war rather slowly, for there were still large groups whose status had suffered little, if at all, and whose interests and sympathies prompted them to adopt a cold and unresponsive attitude toward the new movements; but after the revolution, abrupt changes set in as the economic collapse, the social degradation, the dissolution of traditional bonds, and the insecurity of existence particularly affected the employees and civil servants.

3. STATISTICS

a. Salaried Employees

A few figures suffice to show that in the case of salaried employees we have to deal with groups which are still in the process of formation. By way of illustration we cite the following figures: the number of those engaged in industry and mining as entrepreneurs

fell off 2.52% between 1895 and 1907, the number of wage-earners within the same period increased by 44.28%, and that of the employees by 160.11%. Compared with 1882, the year 1907 shows 7.09% fewer entrepreneurs, 109.78% more wage-earners and 592.41% more salaried employees. In relation to the number of individuals gainfully employed the proportion of employees in industry, mining and the building trades increased from 1.54% in 1882 to 6.09% in 1907. The same development is noticed among the employees engaged in commerce, although their increase is less rapid owing to the fact that in this field the salaried employees have always been numerous.

Accuracy in determining the exact figure of the salaried employees is difficult to obtain on account of the necessarily involved methods of inquiry into this subject.[1] If we leave out those groups which do not belong to this category, we get the following rough estimates:

	1895	1907
All persons engaged in gainful occupations	18,720,778	23, 994,253
Salaried employees	828,509	1, 620,310
Percentage of employees	4.42%	6.76%

If we take into account only the urban population (Groups B and C: Industry and Commerce), we get the following figures:

	1895	1907
All gainfully occupied persons	10,240,141	14, 084,302
Salaried employees	732,245	1, 521,310
Percentage of employees	7.10%	10.80%

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1 In this connection, see especially my book; Die Privatangestellten in der modernen Wirtschaftsentwicklung, pp. 28 et seq.

The distribution of the employees in the principal categories is as follows:

	1895	1907
Main Group B (Industry, Mining, Building Trades)	263,745	686.007
Main Group C (Commerce and Transportation)	468,491	835,303

We noticed that the number of salaried employees in industry increases, absolutely as well as relatively, faster than in commerce. Again, in industry the most rapid increase is found in the clerical staffs-a consequence of a technically more thorough organization, of the continuing rationalization of business, and of the introduction of American cost-accounting methods. Thus, the centre of gravity gradually shifts, as far as numbers are concerned, from the commercial to the industrial employees, the more so as the latter are for the most part concentrated in the large-scale industries where their massive strength gives them a decided economic and social advantage.[1] The same tendency is manifest in the relatively large proportion of employees in the big cities. Their proportion (from 1882 to 1907) in the main economic divisions, namely, agriculture, industry, and commerce, shows a more than seven-fold absolute increase (from 69,000 to 541,000). Relatively speaking, the increase is from 6.5 to 12.7%; this is very significant considering the proportionate decline of independents in the large cities, namely, from 31.9% to

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[1] In the big concerns (having more than fifty employees) of the four industrial groups (Machine, Textile, Food and Building Industries) which employ the largest number of employees we find concentrated thirty-four percent of all industrial employees. On the other hand, only twenty-two percent of the total number of gainfully employed in industry are employed by large concerns.

18.8% in 1907.

It follows from the statistical data relating to private employees that the rapid growth of the employees' class must be regarded as a consequence of a continuous economic development, particularly of big business, and of the new methods of business organization. This rapid swelling of the number of employees which runs parallel with a decline in the number of independents, prevents the great majority of them from shifting to the class of independents and forces them, collectively as well as individually, to remain permanent salaried employees. The increase of employees is not a uniform one throughout the economic system; it is particularly noticeable in industry and, here again, only in a few large industries where the rapid increase of clerical employees makes possible a social and organizational union of these two large groups of employees. The rapid increase of the employees enhances their effective power and activity as a group, particularly in the larger cities where we find them concentrated in large numbers. Lastly, all these facts have a further consequence that the employees, by their sheer numbers, offer a counterweight to the increasing numerical strength of the laboring class. In the social and political field, and elsewhere, the employees could adopt a policy aimed against the excessive concentration of business and against the elimination of the small independent from

the economy - a policy which might be supported by the various groups of employees in the whole national economy. Similarly, the employees could infinitely strengthen the position of the wage earners in the struggle between capital and labor, and considerably imperil the power of the entrepreneur. The following survey will now show the lines along which these possibilities have been realized.

b. Civil Servants

In the occupational census, the civil servant is not given a distinct place. Official statistics ignore the civil servants as a separate group and, therefore, do not permit unambiguous determination of their numbers. The determining factor in classification is the nature of the occupation and, accordingly, public and private officials (or civil servants and salaried employees), who are engaged in the same activity, are grouped together. Still, it is perhaps right that a line of demarcation should be drawn between the two categories. The occupational census of 1907 contains the following information.

1. Civil servants in the diplomatic service; in the federal, state, county and municipal administrations; administrators of the domains of the upper nobility and of other large estates; officials in the administration of justice, including inspectors and the service personnel of prisons, of other penal institutions and reformatories, and of poor-houses and welfare institutions, etc.

(Group E2 of the occupational census).

a.	Higher officials, lawyers, notaries	55,038
b.	Other functionaries in the middle civil service class, inspectors and office personnel, calculators and clerks	257,347
c.	Service personnel, messengers, office porters	77,620
		390,005

2. Teachers in universities, Gymnasien, Realschulen, grammar schools, trade and technical schools, orphan asylums; proprietors of private schools and their teaching staffs, boarding schools, institutes for the blind, deaf and dumb; private teachers and tutors, etc. (Group E4 of the census).

a.	Managing and teaching staff	277,153
b.	Administrative personnel	4,127
c.	Service personnel, institutes included	18,116
		299,396

Both of the following large groups include also salaried employees, as is evident from the enumeration.

3.	Civil servants in the Post Office, Telegraph and Telephone service	232,571
4.	State Railway employees (1908)	276,312

These four groups, taken together, comprise about 1,200,000 persons. But these figures do not take into account civil servants in other public and municipal enterprises. For government employees employed as foresters and gamekeepers, in mining, blast furnaces and foundries, salt-works, water-works, as well as in the building, road, harbor and pilot services, etc., were allocated to their respective occupations together with the

private employees working in the same fields. Likewise, the data given for civil servants employed in the postal, telegraph and railway services do not seem to be accurate; the figures given by the authorities are in every case considerably higher than those of the occupational census. At any rate, for 1907, the year of the occupational census, the number of civil servants may be placed at 1,500,000; but since then this number must have been appreciably increased. Let it be added that the rate of increase in the number of civil servants, particularly in enterprises operated by the government has been extraordinarily rapid:

Post and Telegraph

	Civil Servants	Other Employees	Civil Servants	Temporary Civil Servants	Laborers
1903	210,620	38,896	203,512	25,917	328,322
1908	232,571	72,898	253,389	22,923	419,482
1913	248,195	85,869	283,767	16,165	482,799
1919	206,422	156,824		1,132,185	
1920	287,576	188,850		1,105,557	
1921	305,014	170,153	374,960	63,397	629,080

The intensive retrenchment of the administrative personnel, as well as of the civil servants in public enterprises, which, as already stated, took place in the period of the currency stabilization, is shown in the following table:

	No. of Civil Servants		No. of Salaried Employees		No. of Laborers	
	Oct. 1 1923	Oct. 1 1924	Oct. 1 1923	Oct. 1 1924	Oct. 1 1923	Oct. 1 1924
I. Federal civil servants	105,976	95,895	51,394	24,120	50,046	45,257
State fiscal officers in this class.....	78,222	71,650	23,690	11,995		
II. Government Enterprises:						
Post Office....	293,892	249,969	7,383	3,324	71,217	47,687
Government Printing Office.....	235	188	1,109	445	8,166	2,748
III. Railroads (Since Sept. 1, 1924 transferred to Reichsbahn-Aktien-Gesellschaft,[1] in accordance with the London agreement of Aug. 1924	Oct. 1 1923	June 30 1924	Oct. 1 1923	June 30 1924	Oct. 1 1923	June 30 1924
	425,852	336,159	861	340	576,083	389,482

The total of civil servants in the federal government (including railway employees), in the states and in the municipalities, is estimated at 1,300,000 for 1925. Of these, the federal government claims 346,000, the federal railroads 336,000, Prussia 164,000, Bavaria 57,000 and the municipalities 300,000. The majority are found in enterprises operated by the federal government, such as railroads, the postal service, and in state and municipal undertakings.

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[1] National Railroad Corporation

The statistical data show that the numerical importance of the old-time civil servants, who perform purely governmental functions and represent governmental power and state authority, is constantly diminishing. By far the great manority in the civil service is claimed by the employees in public undertakings, and here the growth has been most rapid. This is evident from the above-cited figures. Insofar as their occupational activity is concerned, civil servants in state enterprises cannot be distinguished from salaried employees doing the same kind of work. Their status as "civil servants" rests rather on a historical and a legal basis. The concept "civil servant" and his social positiom had originally been associated with the functions of the civil servant of the old school and was later transferred to the large groups of governmental employees in state enterprises. To be sure, these new categories of civil servants have no imperium; nevertheless, a modicum of authority, which derives from the power invested in the old-time public official, still clings to their positions. Similarly, the legal status of the civil servants in state enterprises is identical with that of the civil servants exercising governmental power.[1] This means that these government employees enjoy a certain permanence of tenure and so have an advantage over the salaried employee in

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[1] The terms "civil servants exercising governmental authority" (Hoheitsbeamte) and "civil servants of governmental business enterprises" (Betriebsbeamte) appear to be gradually finding their way into current literature, although their use, especially of the former, is not consistent.

private business; but it also implies a restriction of their freedom of movement and a hindrance to the assertion of their economic power by independent action. Hence, the appearance in the civil servants' movement of special problems, of which we shall say more later.

4. SOCIAL POLICY

a. Salaried Employees

The social policy of the salaried employees must be studied in the light of their peculiar social position. The salaried employees represent a new stratum of the gainfully employed, the bulk of whom find themselves in circumstances which are in sharp contrast to the traditional views of the position of the salaried employee. To be specific, his permanent dependence on an employer; the fact that he is at the mercy of the labor market; the development of a remunerative system based on the prevailing economic and financial situation; finally, the ever growing practice of compensation in proportion to one's efficiency - which means that the employee's pay decreases the older he grows - all these factors help to undermine the social and economic status of the salaried employee, who thus finds himself exposed to the danger of proletarization. When the salaried employees first became conscious of their numerical strength and the importance of their function in industry, they entertained the notion that they would be able to play the role of mediators between capital and labor and to reconcile the conflicting interests of employer and wage-earner. But this illusion was given

up long ago and in its place we now find social pessimism. The great majority of salaried employees have come to recognize the fundamental incompatibility between capital and labor, between employer and employee, but they are in no position to bridge this gap; they cannot stand between the two warring classes, and must therefore choose that side which best serves their interests.

The problem of finding his right place was rendered still more difficult to the salaried employee by the fact that his class is composed of highly heterogeneous elements. The employees, for the most part, come from former independents or, at any rate, from "bourgeois" strata, Before the collapse of 1918, their income was considerably higher than the average income of the wage-earners. Compared with the latter, their work is generally characterized by definite qualifications; it enjoys higher social prestige and brings them in direct touch with the entrepreneur class. Moreover, recently, it was possible for the salaried employee to attain a position consistent with his abilities or to become himself an independent. Such considerations foster among the employees those tendencies which seek to check the material and social degradation of their class and aim at the preservation of their middle-class standards of living and of their social prestige. The situation has given rise to claims which, if realized, would result in the improvement of the condition of the salaried employees as individuals, particularly with regard to making their positions more secure and relatively permanent, despite their dependence upon the entrepreneur. Naturally, the policy of the employee is a labor policy, but apart from this, it has an unmistakable middle

class character, which distinguishes it from the policy of the proletariat.

To indicate the essential identy of class interests, it is interesting to note that the demands of the various employee groups, as a whole, coincide. This identity of interests should eventually lead to a common orientation of large strata of employees. This united front was especially evident, prior to the revolution, in the demand for employees' old age insurance, which was deemed to be the logical counterpart of the civil servants' pension. Similarly, other demands aimed at a minimum salary provision, the abrogation of any clause in employment contracts which restrained (with a view to obtaining long-term contracts) the employee from entering the service of a rival concern, the safeguarding of the employee's property rights to his inventions, the regulation of apprenticeship, and the establishment of uniform discharge notices, etc. These and other claims stamped the policy of the employees' organizations with a distinctive mark, thus differentiating it from the social program of the wage-earners. Nevertheless, the salaried employee adopted the main points of labor's social program, particularly emphasizing the unqualified right to organize, claiming also, with suitable modifications, the extension to the employees of those protective measures which were already enjoyed by the workers. The middle-class character of the employees' policy is clearly brought out by the modification of these demands, that is, by the effort to make the position of the individual employee secure and stable in the establishment where he is employed and thus to realize, as far as possible, the principal demands of the middle-class policy within the framework of dependent occupations.

Within this general program, which characterized the employee movement before the war, important differences existed between the component groups. Whereas in the organization of commercial employees conservative class tendencies prevailed and the traditional notion of one united mercantile class made it possible for employers to become members in many employees' unions and effectively precluded the adoption of all trade-union policies (strikes, collective bargaining, etc.) the technical employees, who first appeared as a compact group in the centres of mass production, were strongly influenced by modern labor policies. The combating of these ideas by the entrepreneur was not in the least responsible for the adoption of a radical program. Still, up to the time of the collapse in 1918 even radical employee organizations would uncomprisingly reject any cooperation with the workers' trade-union movement; nor would they accept the latter's socialistic ideology (apart from a few insignificant exceptions, whose failure was conspicuous). Indeed, even in the radical wing of the employees' movement one could easily detect its foundamentally middle-class character with all its social and traditional earmarks, namely, that individual stamp which stood as symbol for the preservation of the employees' place "between the classes" and which shunned a fusion with the workers' as well as the employers' class.

The situation changed fundamentally after 1918.[1] The

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1 During the war the unions of salaried employees - particularly the radical ones - showed a decrease of membership. In spite of this, these unions gained in importance inasmuch as they were integrated into the wartime organization together with the trade unions and employers' association. Besides, even before the collapse of 1918, the depreciation of the national currency had stimulated their campaign for more pay. Nevertheless, it was only through the revolution of 1918 that the movement received its essentially new Orientation and attained its present success.

"middle-class" character of the salaried employee had to capitulate before the growing notion of the mere wage earner. Proletarization of the middle-class strata, which went on at an unprecedent pace, and the raising of the social status of the "manual worker," which brought him steadily closer to the employee, proved stronger than any class tradition. These economic conditions, the political changes, the recognition of trade-unions and the abolition of all traditional conceptions of the social order forced the employee associations to adopt the aims and methods of the labor unions. Consequently, numerous groups of employees rallied under the new banner.

The transformation of the whole employee movement after 1918 had the additional effect of shifting the balance of power to the more radical employee associations and of causing further changes in their policies. Such changes were the replacement, in conservative associations, of the policy of "harmony" by a trade-unionist policy, and the infiltration of formerly rejected socialistic doctrines into the radical organizations. Employers were no longer eligible as members of these associations. Responsibility for the well-being of the individual, also employment bureaus - which formerly presupposed a co-operation between the commercial employees and the entrepreneurs - and promotion of sociability were relegated to the background. What is still more important, activities characteristic of the policy of labor unions - such as collective wage agreements and "organized labor's last resort," the strike - were fully adopted and practiced in the manner of labor organizations. In fact, the whole machinery of the associations was overhauled in order to adjust it to these new functions.

Membership in the various employee unions from 1911 to 1921 was as follows:

	Total Membership	Employees Total	Employees Women
1911	830,870	739,291	70,789
1913	941,343	830,441.	73,118
1915	531,609	470,285	82,200
1917	425,928	376,382	105,087
1919	1,436,780	1,400,568	342,026
1920	1,571,337	1,543,310	373,597
1921	1,671,796	1,642,913	351,289

The rapid increase of members before and, especially, after the war may be attributed partly to the growth of the employee class and partly to the dissemination of the idea of organization, especially in its post-revolutionary, union type. The complete disappearance from the associations of those members who were not employees (among whom employers[1] figured prominently) is characteristic of the new order of things. Noteworthy are also the large gains of female

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[1] Soon after the establishment of the Arbeitsgemeinschaft der gewerblichen Arbeitgeber and Arbeitnehmerverbände (National Conference of Employer Associations and Employee Unions) in November, 1918, the participating unions of workers drew up the "principles of organization, leadership, purpose and resources of those associations which shall be considered as trade unions." Among other things, membership was now explicitly denied to employers and an attempt was made to deprive of their membership all employers who had been formerly admitted to the unions. Furthermore, the admission of employers to the unions contradicted the wording of the "ordinance concerning salary scale agreements" of December 23, 1918, and might invalidate the right of a union to effect such agreements. For this reason, today even conservative unions bar employers from membership. The doctrine of one united commercial class had to give way to the demand for collective salary agreements between employers and employees. (The abovementioned "principles" are published in the 19th Special Number of the Reichsarbeitsblatt, (Official Labor Gazette), p. 20).

members, from 17.7% in 1913 to 23.8% in 1919. This latter fact,[1] too, is very important in the transformation of the employee movement.[2]

The expansion and organic changes of the employee associations are concurrent with a tendency towards amalgamation. Formerly independent unions, after the removal of certain obstacles, were now absorbed by larger ones, or they have become affiliates. More important yet is the rise of national federations, which aim at the inclusion of the salaried employees of all occupations. Their relation to the labor movement becomes manifest by their general policy which is somewhat colored by the policy of the German trade union movement (socialistic, liberal, Christian). Thus, we find today in Germany three federated associations of employees,

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1 The influx of women applies primarily to radical unions. For the rest, the most important and consistently conservative union, which characterizes itself as "Christian," the Deutschnationale Handlungsgehilfenverband, (German-National Federation of Business Employees) admits no woman to membership. Women employees who identify themselves with similar conservative trends have their own organization, the Verband der weiblichen Handels - und Bureauangestellten, (Association of Female Commercial and Office Employees).

2 The data concerning the participation of the various occupations in the employees' movement are of interest:

	Mixed Occupational Unions*	Unions of Commercial Employees	Unions of Office Employees	Unions of Technical Employees	Unions of Agricultural Employees	Other Unions
1911		503,160	21,702	125,844	19,046	65,539
1913		562,7[illegible]6	28,767	137,332	20,645	80,981
1915		307,317	12,161	86,421	9,346	55,040
1917		214,857	19,003	81,446	7,264	53,812
1919	474,276	577,937	14,663	248,036	19,414	66,242
1920	496,194	609,848	41,315	285,448	27,579	82,926
1921	719,001	406,859	54,688	328,090	52,268	82,007

(* The new column of "mixed occupational unions" applies chiefly to unions which comprise both commercial and office employees).

which, together with the federations of civil service employees, borrow both their ideology and organization from kindred labor federations. The role of legislative pressure groups which the various unions played in the past has now been assumed by the top federations, which as a result must now be regarded as important political forces.

The grouping of the employees' unions in these three federations and the distribution of their respective members among them should by no means be considered as final. In 1923 the most important groupings presented the following picture (taken from the Jahrbuch der Berufsverbände, published in 1925).

1. The Allgemeine freie Angestelltenbund or Afa-Bund (General Independent Employee Federation). This top federation, which is affiliated with the free trade-unionist, the Allgemeine Deutsche Gewerkschaftsbund (National Federation of Labor Trade Unions) (ADGB), as a cartel member, has its parentage in the Arbeitsausschuss für einheitliches Angestelltenrecht (Committee on Uniform Employee Legislation) which was founded before the war, and the Arbeitsgemeinschaft freier Angestelltenverbände (Conference of Independent Employee Unions) which came into being during the war. Even before the war, the member organizations of the Arbeitsgemeinschaft stressed their unmitigated and unqualified workers' viewpoint. After 1918 the principal points of trade-unionism of the ADGB, which included, among other things "a collective system of economy," were incorporated in the by-laws of the Afa-Bund. In some questions, e.g., in that of cooperation with the employer associations, the Afa-Bund took a decidedly more radical attitude than the ADGB. This is another characteristic of the movement. In 1923 the Afa-Bund had about 658,000 members. The most important unions affiliated with the Afa-Bund are:

the Zentralverband der Angestellten, (General Federation of Salaried Employees) which comprises commercial, office and insurance employees (about 310,000 members):[1] the Deutsche Werkmeisterbund (German Foremen Alliance) 160,000 members;[2] the Bund der technischen Angestellten und Beamten, (Federation of Technicians and Industrial Employees), 86,500:[3] the Allgemeine Verband der Deutschen Bankangestellten, (General Federation of German Bank Clerks) 31,000; the Genossenschaft

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1 Resulting from the amalgamation of three unions, one of which was even before the war affiliated with the independent trade unions, although it played no great role. Membership in these three unions increased ninefold from 1913 to 1919; the proportion of women rose from 33.3 percent in 1913 (the average percentage of women in employees' unions amounted to 7.7 percent) to 47.8 percent in 1919.

2 Compared with 62,000 members at the end of 1913. Prior to the war the organizations of foremen were unquestionably not regarded as trade unions. Their program was primarily one of the mutual welfare, The development of the principle of trade unionism among them as compared with that of other technical employees' unions was rendered difficult by their peculiar social position; although they came from the wage-earners' class, they were nevertheless the representatives of the employers. One of the factors which served to transform their unions into trade unions was the introduction of the system of functional management in the large factories and plants. The functional foreman is no longer supposed to manage the whole shop and to represent the employer among the workers. Thus, Taylor sub-divides the entire activity of the old style foreman into eight functions (route clerk, speed boss, inspector, repair boss, gang boss, instruction card clerk, cost and time clerk, shop disciplinarian) which under the new system are exercised by as many separate individuals. The functional foreman, then, appears as a replaceable member of the entire organism. The ordinary or military type of organization in the workshop is abandoned and the single gang boss loses his identity as the symbol of the entrepreneur.

3 This association came into being in 1919 as a result of the amalgamation of the Deutsche Technikerverband, (National Federation of Technicians) with the more radical and younger Bund der Technisch-Industriellen Beamten, (Association of Technicians in Industry). In the new organization it was the latter's basic policy which prevailed. In a joint statement both proclaim the "unabridgeable gap between capital and labor" and express their intention "to continue unswervingly the fight against capitalism in common with all labor unions having similar aims, until the German technical employee has attained a position in the economic and political life which is compatible with his services."

Deutscher Bühnenangehöriger, (Guild of German Stage Members) 15,900; the Verband land - und forstwirtschaftlicher Angestellten, (Union of Salaried Employees in Agriculture and Forestry) 12,300; the Deutsche Polierbund,[1] (Union of German Construction Foremen) 13,200, and others.

2. The Gesamtverband Deutscher Angestelltenverbände, (Federation of German Salaried Employee Unions) is patterned after the (Christian-National) Deutsche Gewerkschaftsbund (German Federation of Unions) and counted 460,000 members in 1923. The most important organizations affiliated with it are: the Deutschnationale Handlungsgehilfenverband, (German-National Federation of Business Employees) 285,000 members, one of the oldest and largest employee unions, and at the same time the outstanding representative of the conservative wing. But in the Gesamtverband Deutscher Angestelltenverbände (Federation of German Salaried Employee Unions) there are other unions which do not share so pronouncedly this conservatism and the members of which could not in every case acquire membership in the Deutschnationale Handlungsgehilfenverband (German-National Federation of Business Employees). Such affiliated associations are, for instance, the Verband der weiblichen Handels-und Bureauangestellten, (Association of Female Commercial and Office Employees) 102,600; the Reichsverband land - und forstwirtschaftlicher Beamten (National Federation of Administrative Employees in Agriculture and Forestry) 13,000 and others.

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1 The latter had, moreover, an 'entente cordiale' with the Catholic Standesvereine (Guilds) which are composed of clerical employees and independent merchants. Still, the fight against all "yellow" organizations is characteristic of all unions.

3. The Gewerkschaftsbund der Angestellten (GdA) (Federation of Salaried Employee Unions) 300,300 members, embraces several seperate organizations which are now contemplating a merger. This top federation proposes to unionize its members "along strict labor lines and in a liberal-national spirit." It describes the range of its interests as "the social policy of the employees and the entire field of unionized labor, including employment service and support of strikes and defense against arbritary measures of employers." The GdA is, moreover, affiliated with the Gewerkschaftsring Deutscher Arbeiter-Angestellten- und Beamtenverbände (National Cartel of Labor and Employee Federations) which are headed by the Hirsch-Duncker unions.

Lastly, we may consider also as symptomatic of the new trends the attempt on the part of the employee associations to cooperate on an international scale. Thus, the German employee associations of the Afa-Bund are now linked to the "International Association of Private Employees," which was founded in 1920. This association which (according to statements for 1924) comprises thirty-five unions with 825,000 members in fifteen countries is (like its prewar and now defunct predecessor, the Employees Division of the International Trades-Unions), a member of the (Amsterdam) International Trades-Union Federation. Employee associations with different trends likewise cooperate with more or less closely knit organizations of an international character.

b. The Social Policy of Civil Servants

As a result of the mounting cost of living, the civil servants

of Germany and elsewhere, had become an active social group even before the war. The diminished purchasing power of money released among the civil servants the forces which irresistibly led to a social organization. This, no doubt, was accentuated by the growing exigencies of the standard of living and by the advance of the other classes which, through social organizations, sought to protect their special interests, irrespective of the common welfare. To be sure, the position of the civil servant is, in this respect, a difficult one. His oath of office binds him to his employer, the state, far more effectively than in the case of the salaried employee. His privileged status (permanent tenure of office, right to pension and higher salary with advancing years) imposes upon him in many ways limitations which are unknown to the private employee in his relation with his employer. Any demands on the part of the civil servants must be submitted to the public, which is his employer. And so, the highest tribunal to which he can generally appeal his case is, at the same time, his foremost opponent.

Despite these difficulties we see widespread organized movements all over Europe, pursuing a twofold aim; first, to secure the economic amelioration of the civil servants, specifically, the introduction, in the face of rising prices, of a system of remuneration built upon a higher basic salary, and the reduction of the number of years required to enter higher salary groups so as to guarantee an adequate plan of living as the civil servant grows older and his family needs increase. Their second aim is the improvement of their status in relation to the higher officialdom and the

greater security of their civil position and civil rights.

It is the nature of the hierarchical system of the civil service that any demands on the part of civil servants are not submitted by them as a body to the state but are first condensed into complaints of the lower ranks filed with their superiors. It would be a bold and radical form of petitioning if the associations of civil servants appealed directly to parliament. Such procedure is discouraged as much as possible by the higher government officials. A further consequence of the hierarchical system of officialdom is that the policy of the civil servants is essentially a "group policy." In other words, their demands represent the interests of one service group and not those of the whole body of public servants which are, however, indirectly represented by this offical group. It may be asserted that the more the civil servants are conscious that they represent state authority (something to which even the lowest grades of civil service are keenly sensitive), the more the feel that they are the representatives of a higher order with regard to the public at large; and the more, therefore, they are aware that their special functions flow from sovereignty of the state, the more they are inclined to realize their demands through a service group policy. On the other hand, when large groups of subordinate officials become aware of the impersonal character of their official functions, the ground is prepared for a common course of action on the part of the different categories of civil servants; their demands now appear as the expression of

a common policy of the entire civil service. Thus, before the war it had already become possible in Austria and France to work out a common policy on a broad basis, whereas in Germany the group policy was by far predominant.[1] Only the revolutionary events of November 1918 brought about a radical change of conditions.

In its initial stage, the movement of the civil servants had an economic basis. Above all, it aimed at improvement of the economic status of civil servants. The civil servants have always pointed out that since they devote themselves exclusively to the state's business, the state is duty-bound to assure to them a livelihood corresponding to their position. In accordance with this view, even prior to the world war, they had advanced a demand for more pay to meet the rising cost of living. In addition, the principle was laid down by them that the pay of every government employee should not depend upon the discretion of his superiors, nor should it be contingent upon promotion to a higher post. The pay should be independent of the official classification and increased in each individual case with the passing of years, so that every public servant would have the means to meet the new obligations imposed upon him by his advancing years and by the more expensive maintenance of growing children. As a result of the new economy and of the fewer opportunities for promotion due to the overcrowding of all government positions, it was a matter, then, as will easily

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1 A very important exception was the Bund der Festbesoldeten (Civil Service Association).

be seen, of granting offsetting benefits; the safeguarding of the social and economic middle-class position of the civil servants and the warding off of the proletarization of their class. Such aims must be deemed essentially conservative, for the policy of the civil servants viewed from an economic viewpoint- in reality strove to save the threatened status of the middle-class, just as the conservative middle-class policy of the independents tried to do the same, although as was to be expected, by different means.

The events of 1918, which shook the autocratic state to its very foundations, made more imperative the necessity of organized resistance against the threatening wholesale pauperization[1] and were responsible for a radical change of policy in the civil servants' movement. Group policy had to give way to a common policy which now could readily follow the pattern of trade unions, as the latter had by this time lost the odium of "enemies of the existing order," formerly attached to them, and had, moreover, gained recognition on the part of the employers and became one of the most important factors in the political life and in the formation of the government. An active trade-union policy, however, presupposes a change of the traditional and legal basis of the civil servant status; it involves the unimpeded exercise of his civil rights and, especially, a more

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1 As regards the living conditions of the civil servants we are currently informed by the statistics of income and standards of living which are published, e.g., in Wirtschaft und Statistik (Economy and Statistics) or in the Wirtschaftskurve (Economic Curve) of the Frankfurter Zeitung. Cf. also Zeller , Der Beamtenschaft Not und Rettung. Munich, 1918. For the period before the war see Danneel, Preussiche Jahrbücher, 1908.

or less liberal granting to the civil servants of those conditions under which private employment contracts are entered. This implies the loosening of the ties which bind the civil servant to the state, but also the loss of certain privileges contingent upon these ties.

These demands for a change in the status of the civil servant are at the same time closely related to the type of organization: the independent occupational unions, which negotiate the question of pay, etc., directly with the state and, if need be, also turn to "organized labor's last resort," the strike; and staff representation, a public law organization attached to the various administrative departments (civil service committees). The analogy between these two forms of organization and those in the labor movement (trade union and shop committees) is obvious. But although the demands for unrestricted right of association and for a "democratized bureaucratic structure" go back to an earlier period, they become real issues only after the civil service movement had approximated the labor movement, and after the civil service code had adopted the main points of the new labor code.

Since article 130 (paragraphs 2 and 3)[1] of the German constitution has recognized in principle both these claims, without, however, clearly defining the civil servants' rights in relation to those of the other workers, the issue in the present struggle for these nascent rights, revolves about the fixation of their limits. The maximum extent of these rights or warrants of

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"Freedom of political opinion and of association are assured to all civil servants.
The civil servants will receive special representation in accordance with the more detailed provisions of a national law."

the civil servants' associations is epitomized by the slogan "employment of all the means of organized labor;" the rights of the civil servants' departmental committees are summarized by the demands for an extensive application of the "principles of collaboration." In practice, the former means the recognition of the civil servants' right to strike; the latter is supposed to protect the civil servants as employees (in question of salary, appointment, and discipline), but it also calls for an active cooperation between the state and the civil servants for the proper discharge of administrative functions (which finds its analogy in the dual task of the workers' council in industry-settling of social questions and promotion of production).

Two distinct questions emerge clearly from the above. First, there is a question of how far the state, on the basis of existing laws, may ask the civil servants to abandon certain union policies or to limit the right of "collaboration" in exchange for the privilege granted to them.[1] Secondly, what are the present-day tendencies in the evolution of the civil service? Do they lead to a strengthening of the mutual ties binding the state and the public servant (which would increase their mutual dependence but also widen the gap separating the civil servant from the free worker), or does it lead to a weakening of the traditional bond of loyalty and to a social fusion of the civil servants with the salaried employees? Conceivably, the answer to these questions will not

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[1] The equalization between the privileged position of the civil servant and his curtailed freedom of action in the economic struggle is, for example, embodied in a decree of the Federal Ministry of Transportation, on the occasion of the railroad strike of 1922, as follows: "Just as the Federal Government is not in a position to abrogate the appointment of the civil servant without disregarding protective legislation, so the civil servant has not the right to refuse to work." It is true that this mutual restriction is capable of different interpretation.

be the same for the higher and lower officials, for the officials exercising governmental power and for the officials in the state's business enterprises.

The aims of the present day civil servants' movement culminate in the afore-mentioned demands, in so far at least as their objective is not exclusively confined to the improvement of their economic status. The spearheads of these demands, as well as of the campaign for more pay, are the various organizations of the civil servants, which today are members of large federations. Questions of economic self-help, (e.g., consumers' cooperative associations, insurance, savings systems, etc.), which once stood out prominently, have been eliminated from the program of the unions and have been taken over by the Deutsche Beamtenwirtschaftsbund (Association for the Protection of Economic Interests of German Civil Service Employees) the offspring of the now defunct Verband Deutscher Beamtenvereine (Federation of German Civil Service Associations) while the organized movement of the civil servants has called into existence new federations.[1]

As in the case of the salaried employees, it has not been possible to consolidate the various unions of civil servants into one single federation. Besides the Deutsche Beamtenverband (Federation of German Civil Service Employees) which is supposed

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[1] Since the Allgemeine Deutsche Beamtenbund (German Federation of German Civil Service Employees) has now made its own provisions of mutual help and the facilities of the Christian Gewerkschaftszentrale (Federated Unions) are open to the civil servants' Unions of similar trends, the Beamtenwirtschaftsbund (Association for the Protection of Economic Interests of German Civil Service Employees) has probably lost its importance.

to be politically neutral, we find the following organizations whose policies are based on one or the other of the three main policies of the worker and employee movement. These are, the Allgemeine Deutsche Beamtenbund, (General Federation of German Civil Service Employees) affiliated with independent unions; the Gesamtverband Deutscher Beamten- und Staatsangestelltenverbänds (General Federation of Civil Service and Appointive Employees Associations) which leans toward the Christian-National Gewerkschaftsband (Federation of Salaried Employee Unions); lastly, the National-Liberal Gewerkschaftsring (National Cartel of Labor and Employee Federations) with its own units. Things, however, are still in flux. In 1923 the Deutsche Beamtenbund (German Association of Civil Servants) had 826,000 members, including forty three professional associations and nineteen state associations. The most important organizations affiliated with this federation are: The Gewerkschaft Deutscher Reichsbahnbeamten (Union of the Salaried Employees of the National Railroad Corporation) with approximately 80,000 members, the Reichsverband der Post und Telegraphenbeamten (National Federation of Postal and Telegraph Employees) (120,000), the Deutsche Polizeibeamtenbund (German Police Officers' Association) (106,000), the Deutscher Lehrerverein (German Teachers' Association) (152,000), the Reichsbund der Kommunalbeamten (National Association of Municipal Civil Servants) (166,000) and others. These figures have undergone certain changes since the end of 1922 as a result of the establishment of the independent Allgemeine Deutsche Beamtenbund, (General Federation of German Civil Service Employees), after the

failure of the Deutche Beamtenbund, (German Association of Civil Servants) and the Allegemeine Deutsche Gewerkschaftsbund (General Federation of Labor Trade Unions) to come to an agreement. The position of the Allegemeine Deutche Beamtenbund (General Federation of German Civil Service Employees) in the whole movement of free organizations is supposed to be analogous to that of the Afa-Bund. In 1923 the Allgemeine Deutsche Beamtenbund (General Federation of German Civil Service Employees) comprised twenty associations, including many important ones, some of which had their origin in the Deutsche Beamtenbund (German Association of Civil Servants). It had 354,000 members (of which 200,000 came from the Reichsgewerkschaft deutscher Eisenbahbeamten und- anwärter (National Union of German Railroad Employees and Substitutes). Somewhat less important than these two federations is the Christian- National federation, the Gesamtverband Deutscher Beamten - und Staatsangestelltengewerkschaften (General Federation of Civil Service and Appointive Employees Association) with 390,000 members, the majority of whom are in the railroad service. The civil servants' units of the liberal Gewerkschaftsring (National Cartel of Labor and Employes Federations) number about 174,000 members (of whom 82,000 are in the Eisenhahnerverband (Railroadmen's Association).

Until recently, only associations of civil servants working in the technical departments of government enterprises had international affiliations (postal and railroad employees of various tendencies). The other groups (organized on a trade union basis) succeeded in forming an international association only in the Spring of 1925; the International Union of Government Employees,

Civil Servants and Teachers in Public Service, was founded in a congress at which 400,000 civil servants of nine countries were represented. Obviously, because of the nature of the relationship between the public servant and the state there are certain difficulties in the way of an international collaboration of the associations,

5. HIGHER OFFICIALS AND EMPLOYEES: EMPLOYEES OF LIBERAL PROFESSIONS

The radical turn in the movement of the great masses of the "new middle-class" prompted, on the other hand, a consolidation of the traditionally conservative tendencies in certain organizations of the salaried employees and civil servants in the higher ranks. We might point out, for example, the prewar Verband Deutscher Diplomingenieure (German Association of Civil Engineers) which strove to secure a privileged position for the technicians who had received their education in the higher institutions of learning. Several other organizations of a similar, although not of such an outstanding character, clearly showed that, precisely because of the growing number of salaried employees and civil servants, certain groups with a higher social, intellectual and financial status sought to seperate themselves from the masses and pursue their own aims independently. These groups endeavor for the most part to assure a privileged status to civil servants in higher ranks or possessing academic training. Accordingly, these organizations of employees clearly reveal a distinctly middle-class, conservative tendency. This explains why, after the revolution, the associations of higher salaried employees and public officials were practically

the only ones which had nothing to do with a trade-unionist policy. The organizations of higher salaried employees might be said to have taken the position of the former "harmony associations," while the Reichsbund höherer Beamten (National Association of Salaried Employees in Elevated Positions) pursues to a large extent a "group policy."[1] But the groups in question are numerically unimportant and not thoroughly compact; consequently, their organizations will probably not decisively shape the policies of the large body of salaried employees and civil servants.

Besides the civil servants and the technical and commercial employees, the "new middle-class" includes a number of other groups, which here will be only enumerated without any attempt to determine their character. Private teachers, of both sexes, nurses (male and female); the higher employees of economic associations, of occupational societies, and of trade-unions and consumers' cooperatives; secretaries of labor organizations; the employees of insurance companies; actors, singers, musicians, chorus personnel, etc.; employees of drug stores; the employees and editors of newspapers and periodicals; in short, chiefly all those who belong to the liberal professions, insofar as they are gainfully employed in a

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[1] The associations of higher salaried employees- but not all- are federated in the Vereinigung der leitenden Angestellten (Association of Executive Employees), 21,000 members in 1922, while those of the public officials in the upper grades are organized in the Reichsbund höherer Beamten (National Association of Salaried Employees in Elevated Positions), 100,700 in 1924 .

subordinate capacity, and the lower employees in the establishments of the liberal professions. Finally, we must mention the last of the larger groups of salaried employees, namely, those engaged by agriculture. All these groups have an entirely heterogeneous character; sometimes they are (e.g., technical employees) the humble servants of a huge business organization and, quite naturally, they feel that their social status is menaced. But there are also occupations in which the salaried employees are able to maintain their traditional and historical position (especially in agriculture), or in which the number of available posts has in recent times been considerably increased, so that these groups do not consider their economic status as unfavorable. In any case, although the conditions in one and the same group vary, it may be asserted that these groups, in their aggregate, are not of primary importance insofar as the general character of the "new middle-class" is concerned, despite their rather considerable numerical strength. Moreover, the practical demands of the several groups vary too much in fundamentals and, at times, have so little in common with those of the great masses of technical and commercial employees that one could hardly expect an organic connection among all these groups; in fact, such an alliance is perhaps felt to be not imperative. Sometimes the interests actually clash, as in the case of the executive salaried employees and higher public officials, who in reality are called upon to perform a great many of the employer's functions. It must be pointed out, however, that the critical years of the revolution, because of the extensive proletarization and levelling down of the new middle-class and because of the urgent necessity of economic self-protection,

have stirred up action among these occupational groups which had not been drawn into the general movement of the salaried employees and civil servants. To some extent these groups (e.g., editors) appropriated the aims and methods (collective salary agreements) of the larger federations; in addition, there are cases on record in which certain "liberal professions" formed a direct affiliation with the general federations of salaried employees and public officials (e.g., actors, musicians). These phenomena can be of lasting importance only if they are based on a changed position of the respective professions in the social scale , and not simply on a temporary dislocation of income levels.[1]

SUMMARY

In short, it may be said that the term "new middle-class" which before the war (in accordance with the change which had already set in among the groups in question) was not very appropriate; after 1918 it became still less felicitous. Before the War, all these social strata might have been called "new middle-class" insofar as they endeavored to secure for themselves the economic status of the old middle-class; in other respects, they exhibited a tendency to form a stratum sui generis and, as such, to remain independent of the other social classes. Even at that time it was apparent that, should they ever attach themselves to some social

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1 On the so-called "brain worker" see Ludwig Sinzheimer, Ernst Francke, W. Lotz: Die geistigen Arbeiter, Munich, 1923. Paper read at the meeting of the Verein für Sozialpolitik (Social Policy Association, 1922); articles on writers, doctors, lawyers, actors in the Handbuch der Politik, 1921, Vol. IV. But in our discussion only the "subordinates"(teachers, editors, actors, etc.) claim our attention.

class, that could be only the class of organized labor. This view was further strengthened by the conduct of the employers' associations. As a result of the postwar collapse, this alliance has now become a fact. Urban society is constantly organizing itself on the principle of group interests, and the contrast between employee is more and more accentuated (certain reactions are undeniably possible). An intermediate position "between the classes" is no longer possible and the fact of being employed in a dependent capacity triumphs over all class and traditional restraints. The adoption by the salaried employees and public officials of the aims and methods of labor (collective salary agreements), and the tendency among the civil servants to change their relationship to the state from a subordinate one determined by public law (Gewaltverhältnis) into a contractual one fixed by civil law (Vertragsverhältnis) are expressive of the fact that a single stratum of all gainfully employed (if not a single organization) is in the process of formation.

Compared with the pre-war period, social grouping has become much simpler. In the old days there was an extensive stratification of social groups, also within the "new middle-class" but such stratification was based on ideological rather than economic differences. The collapse of 1918, no less than the ensuing period of iflation, swept aside the last vestiges of economic differentiation

and enhanced the social importance of organized labor to such a degree that, in the case of salaried employees, the most serious objections to an organic alliance with the trade unions disappeared. Accordingly, the salaried employees and the civil servants followed the trends of the three principal trade unions. The undeniable tendency in recent years to a return to the social stratification and the distribution of power as they existed before the war has been without effect upon the organic connection between employees and labor organizations. This statement implies that the grouping of the population according to class interests has made great progress since the war, and that the notion of social harmony is only a utopian ideal of some writers, the realization of which in a system of social forces and counter-forces has remained a pious hope.

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Current data can be found in the newspapers, reports and pamphlets of the various federations (see Chapter 4) as well as in Arbeitsrecht and Deutsches Beamten-Archiv.

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by U. S. Works Progress Administration
Project No. 465-97-3-81

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Address all inquiries to: J. W. INNES, Department of Social Science, 405 Fayerweather Hall, COLUMBIA UNIVERSITY, New York City.